

(a) Subject to the limitations of this Section, when the Market Price exceeds the Floor Price by \$5.00/cwt live, and when there is no balance in the Deficiency Account (defined below), IBP will deduct 5% of the Market Price ("Reserve Account") from Producer's check and deposit the Reserve Amount into an account maintained by IBP for Producer ("Reserve Account").

(i) The Reserve Account will be paid interest by IBP at the prime rate, as reported in the Wall Street Journal less one percent ("Interest Rate") during the Term of this Agreement.

(ii) When there is a balance in the Reserve Account, interest will accrue at the Interest Rate, which will be adjusted quarterly and compounded on a quarterly basis on the first day of each quarter, and will be added to the Reserve Account balance.

(iii) At the end of the Term of the Agreement, any amount, with interest, that has accrued in the Reserve Account shall be repaid by IBP to Producer within 10 days of termination.

(iv) IBP agrees to maintain records relating to the Reserve Account, and upon Producer's reasonable requests IBP shall furnish copies of such records to Producer or extracts therefrom.

(v) The maximum balance (not including interest) that Producer will maintain in the Reserve Account is \$20,000.00. When the \$20,000.00 is attained, then the Reserve Amount deduction pursuant to this Section will not apply until the Reserve Account is reduced to less than \$20,000.00. The Reserve Amount is determined by multiplying \$5/head times the highest number of head per year as shown in Section 2(a), at the end of each year IBP will increase the maximum balance by multiplying \$5/head times the actual number of head delivered in such year.

(a) When there are Deficiency Amounts, and when the Reserve Account has a zero balance, such Deficiency Amounts will be accounted for by IBP in an account maintained by IBP for Producer to accrue Deficiency Amounts ("Deficiency Account") as follows:

(i) The Deficiency Account will be charged interest at the Interest Rate during the Term of this Agreement.

(ii) The Deficiency Account will be the Producer's sole responsibility to repay pursuant to Section 6. When there is a balance in the Deficiency Account, interest will accrue at the Interest Rate, which will be adjusted quarterly and compounded on a quarterly basis on the first day of each quarter, and will be added